

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 95-994-C - ORDER NO. 95-1195✓
JUNE 5, 1995

IN RE: Request of AT&T Communications of the) ORDER
Southern States, Inc. for Revisions to) RESCINDING
its Customer Network Services Tariff) VOTE, SETTING
and its General Services Tariff.) HEARING, AND
) STAYING EFFECTIVE
) DATE OF TARIFF

This matter comes before the Public Service Commission of South Carolina (the Commission) on the May 23, 1995 filing by AT&T Communications, Inc. of the Southern States, Inc. (AT&T or the Company). AT&T filed proposed revisions to its General Services Tariff and Custom Network Services Tariff to change its Dial Station, Consumer and Commercial Calling Card, Operator Station, and Person to Person usage rates. The rate changes were reviewed and determined by Staff to conform with the Commission's guidelines for rate changes below the approved maximum rate levels established in Order No. 84-622, issued August 2, 1984 in Docket No. 84-10-C.

Subsequently on May 30, 1995, the Commission instructed Staff to notify AT&T that this tariff, Tariff No. 95-154, was filed in compliance with Commission Order No. 84-622.

By way of review, in Order No. 84-622, the Commission adopted a rate design for GTE, Sprint, and other interLATA carriers which

included only a maximum rate level for each tariff charge. The Commission held in that Order, that upon approval of the maximum levels for the rates, adjustments of the particular rates below the maximum would not constitute a general ratemaking proceeding or a modification of an existing rate, since the prior approval of the maximum constituted approval of each lower rate level. Consequently, a proposed adjustment below the maximum rate level would not require the statutory notice of intention to adjust rates, a formal hearing, or the twelve (12) month period between rate changes. We went on to say in our Order, however, that notice to the Commission, and to the public of such tariff changes below the maximum rate levels should be accomplished, and that the filing of proposed rate changes and publication of notice of such changes two (2) weeks prior to the effective date of such changes would occur, and affidavits of publication would be filed with the Commission. Under that Order, only if the Company has proposed an increase in the maximum levels would a general ratemaking proceeding be held.

We quote the following language from Order No. 84-622: "The Commission will adopt a rate design for GTE, Sprint, and other interLATA carriers which includes only a maximum rate level for each tariff charge. A rate structure incorporating a maximum rate level with a flexibility for a downward adjustment has been adopted by this Commission for public utilities where their services are provided on a competitive basis." (emphasis added) Order No. 84-622 at 24.

A further review of the Order reveals that from the language above, in adopting the language in Order No. 84-622, rate decreases were the primary focus. We do question whether or not the intent of the Order was ever to allow companies to increase their rates, even though said rates were below the maximum levels. We do realize, however, that the practice has been to follow Order No. 84-622 procedure for rate increases as well as rate decreases in the past.

In our holding today, we do not abolish the practice of not having a formal proceeding when a company requests increases below its maximum rates. However, we do believe that certain rate increases below the maximum rates bear further investigation, and require further information gathering. We have examined the tariff and the rate increase change request at bar, and do question the reasoning behind the increases proposed. Therefore, we hereby rescind our vote of May 30, 1995, which simply instructed Staff to notify AT&T that Tariff No. 95-154 was filed in compliance with Commission Order No. 84-622. In addition, in order to gather further information on the reasoning behind the request, we hereby hold that this matter shall be set for hearing at such time as the Staff may decide, and we hereby stay the published effective date on this tariff of June 23, 1995.

Again, in taking this action, we do not abolish the past Commission practice of allowing certain rate increases to take place below the maximum rates filed by the Company. However, we do hold that from this day forward, the Commission will not

automatically rubber-stamp all increases below the maximum rates, but the Commission reserves the right to set for hearing those rate increases below the maximum rate which it believes need further justification for the public good. We hold that this Order hereby modifies the holding in our Order No. 84-622.


This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Deputy Executive Director

(SEAL)